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Russian Federation

Oilseeds and Products

November Oilseeds Harvest Update

2000

Approved by:
Geoffrey W. Wiggin
U.S. Embassy, Moscow
Prepared by:
Eric Trachtenberg and Yelena Vassilieva

Report Highlights:
The 2000 sunflowerseed harvest estimate is raised to 3.7 million tons. The reduction in sown area this year was not matched by a fall in production because of increased yields. Consumption of oilseeds and vegetable oil is expected to remain at the previous year's level. Sunflowerseed production is expected to decline in 2001. Vegetable oil exports are expected to rise and imports to fall in 2001 because of restructuring in the industry. Soybean production is forecast at 350,000 tons.

Includes PSD changes: Yes
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Executive Summary

The 2000 sunflowerseed harvest estimate is raised to 3.7 million tons. The reduction in sown area this year was not matched by a fall in production because of increased yields. Consumption of oilseeds and vegetable oil is expected to remain at the previous year's level. Sunflowerseed production is expected to decline in 2001. Vegetable oil exports are expected to rise and imports to fall in 2001 because of restructuring in the industry. Soybean production is forecast at 350,000 tons.

Production

The 2000 sunflowerseed harvest estimate is raised by 100,000 tons. The reduction in sown area this year was not matched by a fall in production because of increased yields. The sunflowerseed harvest is behind schedule because of high fuel costs and the poor condition of most farm machinery. Favorable weather has helped maintain production. Warm and dry conditions in October in major sunflowerseed producing regions such as Krasnodar, Stavropol and Rostov-on-Don are expected to push production higher than previously forecast.

Consumption

Consumption of oilseeds and vegetable oil is expected to remain at last year's level. Consumption of sunflowerseed meal will be at last year's level, while consumption of soybean meal is forecast at 390,000 tons. This is close to the average level of feed meal consumption in the 90's but well below the peak during 1999 when the US made sizable meal shipments. Current estimates are that commercial imports of sunflowerseed will remain stable, around 50,000 tons.

Looking into 2001

Production

Local sources indicate that there is a strong relationship between sunflowerseed planting area and prior year prices. Low prices in 1999 resulted in a 950,000 ha reduction in 2000 plantings. As a result of disappointing prices this year, it is expected that plantings will fall again in 2001, perhaps by another 300,000 ha. At the same time, barring unfavorable weather, yields are expected to increase slightly. This is because most of the reduction in area planted will take place on marginal lands with less efficient producers, Sunflowerseed production is forecast to be around 3.5 million tons. The technology used in production is expected to change slowly. For example, in Samara oblast, one of Russia's most progressive regions, only 10 percent of sunflowerseed farms used a complete package of modern seeds, chemicals and other inputs sold by a Western company. Areas utilizing improved technology reported yields of 2.0 - 2.2 tons per ha, which is well above the regional average of one ton per ha. In the future, the retirement of marginal lands, the slow dissemination of better production practices and increasing market-orientation of farmers should boost yields.

Crushing and Processing

At the same time, the crushing industry continues to restructure. Russia's past reliance on imported vegetable oil despite large production highlighted the problems of Russia's inefficient crushing industry. But restructuring which is putting unproductive crushers out of business, is having significant effects and is expected to cut oil imports significantly. At the same time, local sources expect that oil exports will grow, especially from Rostov. Oil exports are expected to exceed 200,000 tons in 2001 as imports fall below 150,000 tons.

Sunflowerseed Products

Sunflowerseed

The harvested crop in 2000 will not exceed 3.7 million tons, an 11 percent fall from 1999. Although weather favored sunflowerseed growth, with the crop in the field estimated at 3.9 million tons, fuel shortages and the poor condition of farm machines caused the harvest to be slow, resulting in significant losses. As a result of low Russian domestic prices, the export forecast for sunflowerseed is raised by 100,000 tons to 500,000 tons, assuming export taxes remain unchanged. Domestic prices, which have been driven by exports and international markets, fell by mid October to $100-$120 per ton. Domestic prices are reported to range from 2,500 Rubles ($90) to 3,500 Rubles ($125) per ton at different major crushers. However, because crushers usually buy sunflowerseed on barter terms or as payment for spring input supplies to farmers, the actual price paid is lower. Domestic demand is expected to be near the MY 1999 level, keeping domestic crush consumption at 2.8 million tons.

PSD, Sunflowerseed, 1,000 tons

PSD Table						
Country	Russian Federation					
Commodity	Oilseed, Sunflowerseed				(1000 HA)(1000 MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		10/1998		10/1999		10/2000
Area Planted	4100	4100	5600	5600	4550	4550
Area Harvested	4090	4090	5530	5530	4450	4450
Beginning Stocks	15	15	30	30	50	50
Production	3000	3000	4150	4150	3600	3700
MY Imports	35	35	10	10	50	50
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	3050	3050	4190	4190	3700	3800
MY Exports	860	860	850	850	400	500
MY Exp. to the EC	600	600	400	400	200	300
Crush Dom. Consumption	1860	1860	2850	2850	2800	2800
Food Use Dom. Consump.	200	200	240	240	200	200
Feed,Seed,Waste Dm.Cn.	100	100	200	200	250	250
TOTAL Dom. Consumption	2160	2160	3290	3290	3250	3250
Ending Stocks	30	30	50	50	50	50
TOTAL DISTRIBUTION	3050	3050	4190	4190	3700	3800
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Sunflowerseed Meal

Post has not changed sunflowerseed meal and cake production, and the supply forecast remains at 1.0 million tons with all meal and cake consumed domestically. Oil will continue driving the sunflowerseed market because most feed mills and poultry farms still lack the cash to buy meal, despite low prices. The completion of concessional imports of soybean meal has not boosted demand for sunflowerseed meal significantly.

Sunflowerseed Oil

The sunflower oil export estimate for 1999/00 is raised from 170,000 tons to 200,000 tons based on recent customs data for the period October 1999 through August 2000. Food use domestic consumption is cut to 950,000 tons while the ending stocks forecast is decreased to 70,000 tons. Crushing remains at last year's level, and domestic demand for sunflower oil in MY 2000/01 is not expected to grow rapidly. The oil import forecast is cut by 50,000 tons to 150,000 tons, while the sunflower oil export forecast is increased by 40,000 tons to 200,000 tons.

PSD, Sunflowerseed Oil, 1,000 tons

PSD Table						
Country	Russian Federation					
Commodity	Oil, Sunflowerseed				(1000 MT)(PERCENT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		10/1998		10/1999		10/2000
Crush	1860	1860	2850	2850	2800	2800
Extr. Rate, 999.9999	0.403226	0.403226	0.403509	0.403509	0.410714	0.410714
Beginning Stocks	85	85	60	60	80	70
Production	750	750	1150	1150	1150	1150
MY Imports	280	280	150	150	200	150
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	1115	1115	1360	1360	1430	1370
MY Exports	25	25	170	200	160	200
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	100	100	130	130	170	130
Food Use Dom. Consump.	920	920	970	950	1000	950
Feed Waste Dom. Consum	10	10	10	10	20	20
TOTAL Dom. Consumption	1030	1030	1110	1090	1190	1100
Ending Stocks	60	60	80	70	80	70
TOTAL DISTRIBUTION	1115	1115	1360	1360	1430	1370
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Soybean Products

Soybeans

Post increases soybean production to 350,000 tons. Soybean yields in Amur oblast are 1.4 tons per hectare, compared with 0.9 tons per hectare in 1999. After Amur farmers were allowed to sell their soybeans, MY 1999/00 exports increased to 46,000 tons which decreased ending stocks to 55,000 tons. Sources report that in MY 2000/01 Amur farmers can expect to export up to 50,000 tons of soybeans to China, but the present price at 4,000 rubles per ton ($144), is too low to enable them to cover their expenses, which are around 5,000 rubles per ton ($180). Consequently, exports in MY 2000/01 are forecast at 40,000 tons, with the remainder of Russian soybean production directed to domestic crushing, including as payment for spring input supplies and in-kind credits from crushers.

PSD Soybeans, 1,000 tons

PSD Table						
Country	Russian Federation					
Commodity	Oilseed, Soybean				(1000 HA)(1000 MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		10/1998		10/1999		10/2000
Area Planted	452	452	440	440	420	420
Area Harvested	375	375	439	439	420	420
Beginning Stocks	30	30	157	157	60	55
Production	297	297	334	334	300	350
MY Imports	200	200	59	60	60	60
MY Imp. from U.S.	200	200	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	527	527	550	551	420	465
MY Exports	80	80	40	46	0	40
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	250	250	450	450	370	370
Food Use Dom. Consump.	0	0	0	0	0	0
Feed,Seed,Waste Dm.Cn.	40	40	0	0	0	0
TOTAL Dom. Consumption	290	290	450	450	370	370
Ending Stocks	157	157	60	55	50	55
TOTAL DISTRIBUTION	527	527	550	551	420	465
Calendar Year Imports						
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Soybean Meal

The soybean meal import estimate for MY 1999/00 is raised to 370,000 tons based on the monthly customs statistical data. The same source indicates that Russia exported 5,000 tons of soybean meal and cake in MY 1999/00. Post adjusted its soybean meal PSD forecast by increasing the ending stocks of soybean meal by 5,000 tons to 15,000 tons.

PSD Soybean Meal, 1,000 tons

PSD Table						
Country	Russian Federation					
Commodity	Meal, Soybean				(1000 MT)(PERCENT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		10/1998		10/1999		10/2000
Crush	250	250	450	450	370	370
Extr. Rate, 999.9999	0.8	0.8	0.788889	0.788889	0.797297	0.797297
Beginning Stocks	14	14	20	20	35	40
Production	200	200	355	355	295	295
MY Imports	206	206	360	370	70	70
MY Imp. from U.S.	100	100	325	325	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	420	420	735	745	400	405
MY Exports	0	0	0	5	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	400	400	700	700	390	390
TOTAL Dom. Consumption	400	400	700	700	390	390
Ending Stocks	20	20	35	40	10	15
TOTAL DISTRIBUTION	420	420	735	745	400	405
Calendar Year Imports						
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Soybean Oil

Monthly soybean oil imports remain high. Post increased its estimates for MY 1999/00 by another 50,000 tons to 280,000 tons. The forecast industrial domestic consumption of soybean oil is also increased by 40,000 tons with ending stocks raised by 10,000 tons. As soybean oil prices in the foreign market remain attractive to Russian buyers, the import forecast for MY 2000/01 is raised by 20,000 tons to 200,000 tons, despite low prices for alternative vegetable oils such as sunflowerseed oil. The industrial domestic consumption of soybean oil is forecast at 100,000 tons.

PSD Soybean Oil, 1,000 tons

PSD Table						
Country	Russian Federation					
Commodity	Oil, Soybean				(1000 MT)(PERCENT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		10/1998		10/1999		10/2000
Crush	250	250	450	450	370	370
Extr. Rate, 999.9999	0.14	0.14	0.137778	0.137778	0.140541	0.135135
Beginning Stocks	21	21	90	90	90	100
Production	35	35	62	62	52	50
MY Imports	290	290	230	280	180	200
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	346	346	382	432	322	350
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	50	50	60	100	50	100
Food Use Dom. Consump.	206	206	232	232	222	200
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	256	256	292	332	272	300
Ending Stocks	90	90	90	100	50	50
TOTAL DISTRIBUTION	346	346	382	432	322	350
Calendar Year Imports						
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0